



Veteran Small Business Qualifications

A small business must be at least 51% owned and controlled by an individual or individuals in the following groups:

- Honorably discharged veterans;
- Active Duty Military service members eligible for the military's Transition Assistance Program (TAP);
- Active Reservists and/or active National Guard Members; or
- Current spouse of any veteran, Active Duty service member, Reservist, National Guard member, or the widowed spouse of a service member who died while in service or as a result of a service-connected disability.

All SBA programs and services are extended to the public on a nondiscriminatory basis.

Revised February 2017

SBA Veterans Advantage Guaranteed Loans

The SBA offers a variety of loan programs designed to assist veterans in acquiring capital to start, grow or succeed in business. Online training courses and counseling are delivered through our network of experienced resource partners to help veterans become lender-ready.

Veterans play an important role in stimulating economic growth in local communities. To encourage lending to veteran-owned small businesses, the SBA is providing a reduction in certain loan program fees through September 30, 2017.

Providing "fee-relief" on small-dollar SBA guaranteed loans reduces barriers for veteran-owned small business so they can access capital and create jobs. The SBA utilizes a credit scoring model to help reduce underwriting costs and processing time.

To learn more about the SBA Veterans Advantage Fee Relief initiative, please contact your local SBA District Office or the Alabama SBDC Network's Capital Access Team.

<https://www.sba.gov/tools/local-assistance/districtoffices>
<http://asbdc.org/financing>

VETERANS ADVANTAGE FEE RELIEF FROM 10/1/16 THROUGH 9/30/17

Loans of \$150,000 or less the upfront guaranty fee is zero.

SBA Express Loans: Upfront guaranty fee is zero.

Non SBA Express Loans: Upfront guaranty fee for loans to veteran-owned small businesses for \$150,001 up to and including \$500,000 will be 50% less than the upfront guaranty fee for non-veteran owned small businesses as follows:

- i. For loans with a maturity in excess of 12 months, the fee will be 1.5% of the guaranteed portion; and
- ii. For loans with a maturity of 12 months or less, the fee will be 0.125% of the guaranteed portion.

Loans of \$500,001 up to and including \$5,000,000: The upfront guaranty fees for 7(a) loans of \$500,001 up to and including \$5,000,000 made to veteran-owned small businesses will depend on the loan amount and the maturity of the loan as follows:

- a. For loans with a maturity that exceeds 12 months, the applicable guaranty fees are:
 - For loans of \$500,001 to \$700,000: 3% of the guaranteed portion;
 - For loans of \$700,001 to \$5,000,000: 3.5% of the guaranteed portion up to \$1,000,000 plus 3.75% of the guaranteed portion over \$1,000,000.
- b. For loans with a maturity of 12 months or less, the guaranty fee is 0.25% of the guaranteed portion.